



SUFFOLK COUNTY COMPTROLLER

JOHN M. KENNEDY, JR.

PRESS RELEASE

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Comptroller's Audit Nets Suffolk County \$2.6 Million in Pharmacy Benefit Recoveries

Suffolk County Comptroller, John M. Kennedy, Jr., has recovered nearly \$2.6 million in taxpayer funds after his office settled an audit of the County's pharmacy benefit manager, WelldyneRX, Inc. The County entered into an administrative service agreement with Welldyne in May 2014 to administer the pharmacy benefit of the County's self-insured medical plan. The plan covers over 45,000 active employees, spouses, dependent children, dependent survivors and retirees making it one of the largest medical plans in Suffolk County. The pharmacy benefit part of the plan has an average yearly spend of approximately \$60 million.

The Comptroller's Office, in conjunction with the Plan's Labor Management Committee, engaged the Segal Group to perform the financial audit of Welldyne for the period of May 2014 through December 2016. The audit was issued in April and settled with the vendor in September resulting in payment to the County of \$2.6 million.

The audit revealed that Welldyne incorrectly categorized drugs dispensed under the plan causing the under-performance of pricing guarantees defined in the administrative service agreement.

As a result of the high volume of Welldyne's non-compliance with the administrative service agreement, Comptroller Kennedy has commenced a second audit of the subsequent period covering January 2017 through December 2019 which should be completed soon.

Comptroller Kennedy commented that "in these troublesome times it is more important than ever before to ensure that taxpayer funds are not squandered or misspent and that our employees receive the benefits they deserve."

The audit report will be made available upon request.